

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: North Adams Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: June 22, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a slight revision to the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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North Adams Retirement System
January 1, 2021 Actuarial Valuation

Total appropriation increasing 4.9% until FY28 with final amortization payment in FY29

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort.</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Total Cost</u> <u>% Increase</u>
2022	1,308,485	60,000	2,230,687	14,301	78,913	3,692,385	15,633,602	
2023	1,367,367	60,000	2,349,003	14,873	82,069	3,873,312	14,241,381	4.9%
2024	1,428,899	60,000	2,473,386	15,467	85,352	4,063,104	12,621,117	4.9%
2025	1,493,199	60,000	2,604,145	16,086	88,766	4,262,196	10,750,195	4.9%
2026	1,560,393	60,000	2,741,605	16,730	92,317	4,471,044	8,604,082	4.9%
2027	1,630,611	60,000	2,886,106	17,399	96,009	4,690,125	6,156,171	4.9%
2028	1,703,988	60,000	3,038,009	18,095	99,850	4,919,941	3,377,623	4.9%
2029	1,780,668	60,000	114,525	18,819	103,844	2,077,854	237,187	-57.8%
2030	1,860,798	60,000				1,920,798	0	-7.6%

All amounts assume payments will be made July 1 of each fiscal year.

Normal cost includes expenses of \$400,000 and is assumed to increase 4.5% each year.

FY22 appropriation maintained at the same level as the current schedule.